

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

June 21, 2010 – 7:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
.....

Present: Carl Ford, Chairman
Chad Mitchell, Vice-Chairman
Jon Barber, Member
Raymond Coltrain, Member
Tina Hall, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Ford convened the meeting at 7:00 pm.

Commissioner Coltrain provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Coltrain seconded and the vote to approve the minutes of the June 7, 2010 Commission Meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

There were no additions to the agenda.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber moved approval of the Consent Agenda. The motion was seconded by Commissioner Coltrain and passed unanimously.

The Consent Agenda consisted of the following:

- A. Sell Surplus Property By Public Auction
- B. Annual Agreement for Execution of the HOME Investment Partnerships Program

2. RECOGNITION OF EAST ROWAN HIGH SCHOOL VARSITY BASEBALL TEAM

Vice-Chairman Chad Mitchell said East Rowan High School Varsity Baseball Team had recently won the 3A State Championship in a two-game sweep.

Vice-Chairman Mitchell read a Proclamation honoring the team and he then recognized and presented the Proclamation to Coaches Brian Hightower and John McNeil. The presentation was followed by a standing ovation and a round of applause.

Vice-Chairman Mitchell moved, Commissioner Barber seconded and the vote to approve the Proclamation passed unanimously.

The Proclamation read as follows:

WHEREAS, the East Rowan High School Varsity Baseball Team, under Head Coach Brian Hightower and Assistant Coaches Brian Hatley, John McNeil and Matt Miller, is to be recognized and honored for their victorious 2010 baseball season; and

WHEREAS, by their astonishing efforts, this dynamic team has demonstrated the skill of talented players throughout the season by claiming Conference, Sectional and Regional titles, with an amazing final win to secure the 3A State Championship title; ending the season by setting a county record for the number of wins by going 31-2; and

WHEREAS, the individual efforts of all team members was crucial to the successful season; and the tremendous commitment and excellent performance of these young Rowan County men, along with their coaching staff, have proven to be a source of admiration and inspiration to the citizens of Rowan County.

NOW, THEREFORE BE IT PROCLAIMED, that the Rowan County Board of Commissioners does hereby honor the 2010 East Rowan High School Varsity Baseball Team and Coaching Staff for their incredible achievements and to commend them for their display of sportsmanship and leadership as they represented Rowan County.

3. PUBLIC COMMENT PERIOD

Chairman Ford opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. The following individuals came forward:

- Jim Sides commended the County Manager for the budget preparation during such a difficult economic climate. Mr. Sides cited examples of the State taking funds back from counties. Mr. Sides felt the school system should use its fund balance to help meet its needs. Commissioner Sides also said if a Commissioner had previously recused himself from voting on an issue due to a relationship, it would seem hypocritical for the Commissioner not to recuse himself from voting a second time.
- Charles Knox, owner of First Transportation, expressed concern with a bidding process in order to save money on transportation. Mr. Knox felt the process should be more transparent.
- Larry Wright felt that before the Board of Education (BOE) was given additional funds, the BOE should justify to the Commissioners that funds from the previous year were wisely spent. Mr. Wright highlighted several areas he felt the BOE should consider cutting. Mr. Wright asked the Commissioners to hold the tax rate constant.

With no one else wishing to address the Board, Chairman Ford closed the Public Comment Period.

4. PUBLIC HEARING FOR PROPOSED ROAD NAME OF MILLER COVE ROAD

Planning Technician Fredda Greer explained that at the request of the E-911 department, Staff notified the owner of the campground in question and requested the road servicing the camping lots be named. Ms. Greer said the property owner returned a petition for naming the road Miller Cove Road. Staff recommended approval of the request.

Chairman Ford opened the public hearing to entertain citizen input regarding the proposed road name of Miller Cove Road.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve the road name of Miller Cove Road passed unanimously.

5. PUBLIC HEARING FOR PROPOSED ROAD NAME OF FILE FARM ROAD

Planning Technician Fredda Greer said E-911 personnel had contacted staff regarding a road currently unnamed, and located west off the 2100 block of Oddie Road. Ms. Greer said the residents on the road in question used an address for Oddie Road. The property owners were contacted and given the

opportunity to name the road. A petition was returned requesting the name of File Farm Road. Staff recommended approval.

Chairman Ford opened the public hearing to entertain citizen input regarding the proposed road name of File Farm Road.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve the road name of File Farm Road passed unanimously.

6. PUBLIC HEARING TO CONSIDER INCENTIVE REQUEST FROM "PROJECT BB"

Economic Development Director Robert Van Geons presented the economic impact analysis for the proposed expansion of Boral Brick's facility in East Spencer, North Carolina.

Mr. Van Geons introduced Brian Below, General Manager of Boral Composites, Inc. Mr. Below provided a brief overview regarding Boral Limited and Boral USA. Mr. Below said the proposed project would create a new, separate, but wholly owned production division of Boral US. The project would produce a new, innovative and "green" product for the building industry, which lead to the creation of Boral Composites.

Mr. Below provided a power point presentation as he described the facility and the physical site. The required 30,000 square foot facility would be constructed on currently undeveloped property owned by Boral Brick, Inc., on property adjacent to their existing facility on South Long Street.

Mr. Van Geons said the proposed project would involve approximately \$12.8 million of new investment in Rowan County, create a minimum of ten (10) new jobs in 2022, with projected growth to twenty-five (25) and possible future growth plans may ultimately increase employment to forty (40).

Mr. Van Geons said while the property was zoned appropriately for the proposed use, the project required additional permitting through the Town of East Spencer (Town). The Town approved a conditional use permit and variance.

Mr. Van Geons said the proposal appeared to meet the investment criteria for a Level 1 Grant.

Mr. Van Geons said the company expected construction, equipment installation and infrastructure improvements to be completed by December 31, 2011.

Mr. Van Geons highlighted the summary of findings, which included:

- During the proposed 5-year incentive agreement, the facility would generate \$76,160 of new revenue annually. The County would provide an annual incentive grant of approximately \$53,312. Rowan County would retain \$22,848 annually.
- During the five incentivized years, the County would collect \$380,800 in revenue and provide incentive grants totaling \$266,560. The County would retain \$114,240 of revenue during the incentive term.
- Modeled with a 10-year horizon, the County would collect an estimated \$723,520, disburse an estimated \$266,560 in grants and retain an estimated \$456,960 of new revenue.
- If Boral Composites operations were to expand in year 2015, over the study period, the County would collect an estimated \$937,720, disburse \$316,540 and retain \$621,180.
- At full building out, based on the initial project, the Town of East Spencer would gain \$80,640 in annual revenue. If the project expanded, they would receive \$118,440.

Mr. Van Geons discussed the total economic impacts from construction and investment, as well as the ongoing impacts.

Mr. Van Geons said the incentive was below the standard policy, with new employment possible in January 2011. Mr. Van Geons said each county grant of \$1.00 would be matched by \$2.70 in state grants, private sector assistance.

Chairman Ford opened the public hearing to entertain citizen input regarding the incentive grant request.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Coltrain expressed appreciation for the project and expressed hope that Mr. Below would also reside in Rowan County.

In response to a query from Commissioner Mitchell, Mr. Van Geons discussed total job creation from all companies that had participated in the County's investment grant program.

Commissioner Barber praised Mr. Van Geons for an excellent job of marketing Rowan County and Summit Corporate Center (SCC).

Commissioner Hall thanked Mr. Below for the company's location in Rowan County and asked what had attracted the company to Rowan. Mr. Below responded that the location was due to the strong relationship with the County and the fact that the company already had the space needed to launch the new business and the skilled workforce. Mr. Below expressed appreciation to Mr. Van Geons and his staff for being so available to the company.

Commissioner Hall asked if Rowan County would be considered for an expansion without incentives. Mr. Below said incentives were always a factor considered against a variety of multiples and definitely on the list of things considered.

Commissioner Coltrain moved, Commissioner Mitchell seconded and the vote to approve the request passed unanimously.

7. CONSIDER ADOPTION OF THE 2010-11 BUDGET

Commissioner Mitchell made a motion to remove the designation “from what we have been referring to as \$1.7 million in special reserve that was originally earmarked to re-purchase property in Summit Corporate Center (SCC)”. The motion was seconded by Commissioner Barber.

Commissioner Mitchell requested that the Commission give the County Manager and Finance Staff instructions that based on what was approved “tonight”, no checks would be issued until the County learned whether the state would cut the lottery proceeds.

In response to Commissioner Barber, Commissioner Mitchell said he would put his request in the form of a motion. The motion was seconded by Commissioner Barber.

Upon being put to a vote, the motion to undesignate the \$1.7 million passed unanimously.

Commissioner Mitchell repeated his second motion, which was for county staff to be instructed to basically hold on and not cut checks to any departments, to not put funds into any accounts, particularly for capital expenses, including any increases to other agencies. Commissioner Barber seconded the motion.

Commissioner Hall felt it might be more prudent to delay a vote until the County had a clearer picture of the State’s intentions. Commissioner Hall said the Board could hold a special meeting to vote on the budget if necessary.

Commissioner Mitchell said he was okay with passing the budget, which was required by July 1, 2010. Commissioner Mitchell said if the state made changes, the Board could hold a special meeting, or prepare budget amendments in July to move funds.

County Manager Gary Page said if the Board wished to adopt the budget, the County would operate for the next 30 days in terms of spending 1/12 of the budget.

Commissioner Barber expressed concern with the state balancing its budget on the backs of counties and forcing counties to make decisions they would not normally make.

Commissioner Barber said the revaluation process was taking place and staff would be coming before the Board in September to present a Schedule of Values. Commissioner Barber said the tax base would most likely go down and the biggest hits had occurred in commercial real estate and high-end residential homes. Commissioner Barber said next June, the Board may face losing lottery proceeds, phasing in secondary road maintenance, and face the possibility of raising taxes to get back to the revenue neutral tax rate.

Commissioner Coltrain was in agreement to tentatively approve the budget.

Commissioner Hall referred to a copy of an article from TIME Magazine that she had provided to the Board earlier in the day. Commissioner Hall said read from the article, which was titled The Broken States of America.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Hall dissenting.

Commissioner Coltrain said he would like to see the Board fund the schools at \$1.5 million as they had requested; however, he said the support from the Board was not there. Commissioner Coltrain then moved to fund the schools at the \$690,000 level so they would be held truly harmless as far as the required mandates by the state. Commissioner Mitchell seconded the motion for discussion purposes.

Commissioner Barber read from a Salisbury Post article, which focused on keeping teachers working.

In response to a query from Commissioner Hall, Mr. Page reviewed the budget and said the County was lucky to have a \$22 million fund balance. In regards to the next budget year Mr. Page said the County could not handle another \$2.5 million cut from Raleigh. Mr. Page described the cuts that might have to occur next year as “bad” and as last resort cuts, including cuts in positions, no pay raises, increases in insurance co-pays, and losses in 401K contributions.

Commissioner Hall said the school system needed money and could use their fund balance for their needs.

Chairman Ford reminded everyone of the classroom supply money that was given to RSS last year, and this year, as additional funding in the amount of \$375,000.

Commissioner Mitchell said if the Board approved the \$690,000, there was no doubt the funds would save jobs. Commissioner Mitchell said there were required state increases in retirement contributions and 8.9% for insurance. Commissioner Mitchell said the increases were out of the Commissioners control, as well as the BOE's control. Commissioner Mitchell said the BOE would have to cut positions in order to absorb the required increases. Commissioner Mitchell said the Board was funding the number of jobs for next fiscal year as was funded in the current fiscal year. Commissioner Mitchell said salaries were not being increased; rather the Commissioners were saving jobs that would otherwise be cut due to the state's increased requirements.

Commissioner Coltrain said the BOE's \$6 million fund balance was 3.5 percent of the school system's operating budget. Commissioner Coltrain said the BOE had no more guarantee of receiving funds from the Commissioners as the Commissioners did of receiving funds from the state. Commissioner Coltrain felt the BOE was protecting the school system for the future in the same manner as the Commissioners were doing for the County.

Commissioner Coltrain called the question and upon being put to a vote, the motion on the floor passed 3-2 with Commissioners Ford and Hall dissenting.

FUND 101

Commissioner Mitchell moved approval of Fund 101. The motion was seconded by Commissioner Barber.

Commissioner Mitchell commented that board members were receiving calls of concern regarding Rowan County's bidding process. Commissioner Mitchell referred to the last paragraph of section 12 in Fund 101, and said that Requests for Proposals (RFP) would now be posted on the County's website under a newly created Notices section. Commissioner Mitchell said he wanted the County to do its best to get the information to the business owners that jobs were being let for bid. Commissioner Mitchell said that up to a certain amount, the County did not have to go through a formal bid process but did put out RFP.

County Manager Gary Page explained that certain contracts do not have to go to the Board, such as exterminating services, etc. Mr. Page said business owners could review jobs online or contact the County's purchasing agent.

Commissioner Coltrain moved to amend the motion for Fund 101 to implement the decrease to tax discounts as recommended by the County Manager for early payment of property taxes. The motion died for lack of a second.

Chairman Ford said he was voting against Fund 101 due to the funding for the schools.

Upon being put to a vote, the motion to approve Fund 101 passed 3-2 with Commissioners Ford and Hall dissenting.

Fund 201

Commissioner Barber moved approval of Fund 201. The motion was seconded by Commissioner Coltrain and passed unanimously.

Fund 202

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve Fund 202 passed unanimously.

Fund 501

Commissioner Barber moved, Commissioner Mitchell seconded and the vote to approve Fund 501 passed unanimously.

Fund 601

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve Fund 601 passed unanimously.

Fund 602

Commissioner Barber moved approval of Fund 602. The motion was seconded by Commissioner Coltrain and passed unanimously.

Fund 603

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to approve Fund 603 passed unanimously.

8. REPORTS

The following reports were submitted for the Board's consideration:

- (a) County Manager's Monthly Activity Report

Commissioner Barber moved to accept the reports as submitted. The motion was seconded by Commissioner Coltrain and passed unanimously.

9. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Social Services – Increase line item for Medicaid Transportation for Relatives based on projected spending through June 30 - \$6,000
- Social Services – Budget expenditures and revenues for Food and Nutrition Services Contingency allocation - \$25,000
- Social Services – To anticipate where additional funds are needed to meet mandatory program requirements prior to end of fiscal year – Increase donations by \$200 and mandated services by \$78,339

- County Assessor – Cover May invoice of \$12,240.48 and estimated June invoice of \$10,000
- Budget for transfer of remaining interest in Fund 303 - \$5

Commissioner Coltrain moved approval of the budget amendments as presented. The motion was seconded by Commissioner Mitchell and passed unanimously.

10. CONSIDER APPROVAL OF BOARD APPOINTMENTS **CENTRALINA WORKFORCE DEVELOPMENT BOARD**

Pam Cordts (Private Sector Representative) and Heidi Whitesell's (Private Sector Representative) terms end June 30, 2010 and neither wishes to be reappointed.

At the June 7, 2010 Commission Meeting, the Board of Commissioners appointed Mike Beaver to fill one (1) of the Private Sector vacancies for a term of two (2) years beginning July 1, 2010 and expiring June 30, 2012.

Since that appointment, it came to Staff's attention that Mr. Beaver was not a Rowan County resident and Chairman Ford asked that the matter be brought back to the Commissioners for their input.

Commissioner Coltrain said Beaver Brothers was one of the older companies in the community and he saw no reason not to support Mr. Beaver's willingness to serve. Commissioner Coltrain moved approval of Mr. Beaver's application.

Chairman Ford said he had a problem with applicants living outside of the County; however, since this was a business owner being appointed to a workforce development board, it would be acceptable.

The motion passed unanimously.

ROWAN TRANSIT SYSTEM ADVISORY COMMITTEE

The RTS Advisory Committee has submitted bylaws for the Board's approval.

Commissioner Mitchell moved to table the discussion until Clyde Fahnestock could be present due to the questions brought up during the Public Comment Period. Commissioner Coltrain seconded and the motion passed unanimously.

CITY OF KANNAPOLIS PLANNING AND ZONING COMMISSION

At the June 7, 2010 Commission meeting, the Board appointed Conrad Sloop as an ETJ member to the City of Kannapolis Board of Adjustment.

The City of Kannapolis sent a revised request asking that Mr. Sloop be removed from the Board of Adjustment and appointed to the City of Kannapolis Planning and Zoning Commission.

The term would be for three (3) years beginning July 1, 2010 and expiring June 30, 2013.

Commissioner Barber made a motion to remove Conrad Sloop as an ETJ member of the Board of Adjustment.

Commissioner Barber nominated Mr. Sloop for appointment to the City of Kannapolis Planning and Zoning Commission and the nomination passed unanimously.

TOWN OF ROCKWELL BOARD OF ADJUSTMENT

The Town of Rockwell is requesting the appointment of Debbie Miller and Elizabeth Boltz to serve as representatives from the ETJ area on the Board of Adjustment. The term would be for two (2) years beginning July 1, 2010 and expiring June 30, 2012.

The Town of Rockwell is also requesting the appointment of Mike Cauble as the alternate ETJ member. The term would be for one (1) year beginning July 1, 2010 and expiring June 30, 2011.

Commissioner Mitchell nominated Ms. Miller and Ms. Boltz and the nomination passed unanimously.

Commissioner Mitchell nominated Mr. Cauble to serve as an ETJ alternate and the nomination passed unanimously

11. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 8:36 pm.

Commissioner Coltrain asked to be able to share a few comments, to which Chairman Ford responded no.

Chairman Ford adjourned the meeting at 8:36 pm.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board/Assistant to the County Manager